

Piracy-Study 3

Burning and Downloading Feature Films

**based on the 3rd GfK-Panel of July 2004
for the period from January to June 2004**



Filmförderungsanstalt German Federal Film Board

Sample/Methodology

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Objectives/Sample/Survey Methodology

Objectives of this study:

- Determination of the current hardware penetration, in particular of CD burners, DVD burners and DVD recorders.
- Analysis of users' attitudes in view of digital recording of all kinds of contents, especially of films.
- Analysis of users' attitudes in view of downloading films from the Internet.

Survey methodology:

Written survey based on the GfK Media*Scope panel.

Sample:

10.000 persons representing 63.7 million German individuals from 10 years up

Field:

July 2004

Hardware

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Hardware Key-Figures

Status: July 2004

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Question: Do you or other household members possess one of these sets?

Access on ... at home in million persons				
	July 2004		August 2003	
CD burner	28.0	(= 43.9 %)	23.6	(= 37.0 %)
DVD burner	3.1	(= 4.9 %)	0.6	(= 0.9 %)
DVD recorder	1.1	(= 1.8%)	0.25	(= 0.4 %)

Basis: 63.7 million private German individuals from 10 years up

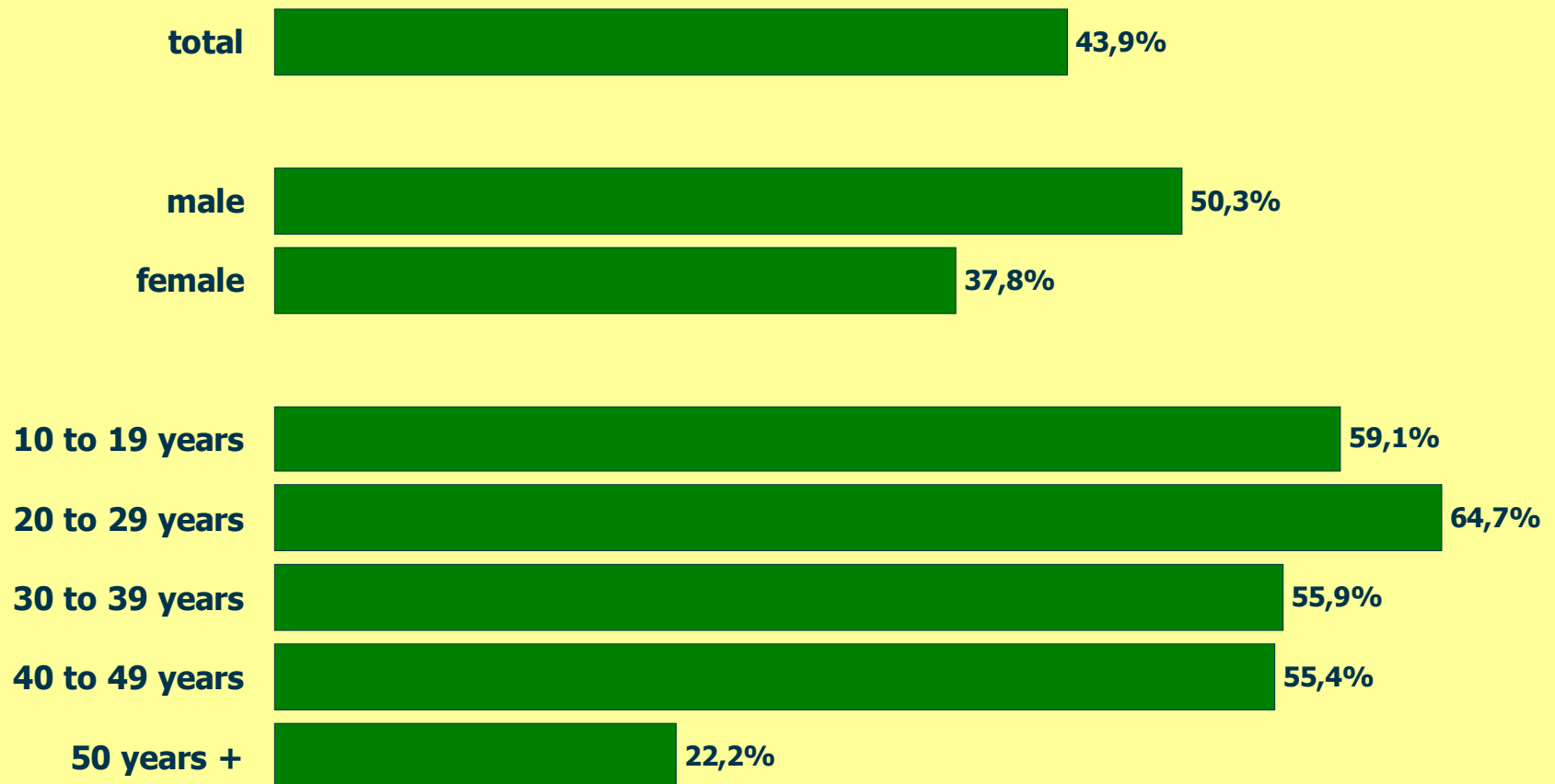
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Hardware Key-Figures „CD-Burner“

Status: July 2004

Question: Do you or other household members possess one of these sets?



Basis: 63.7 million private German individuals from 10 years up

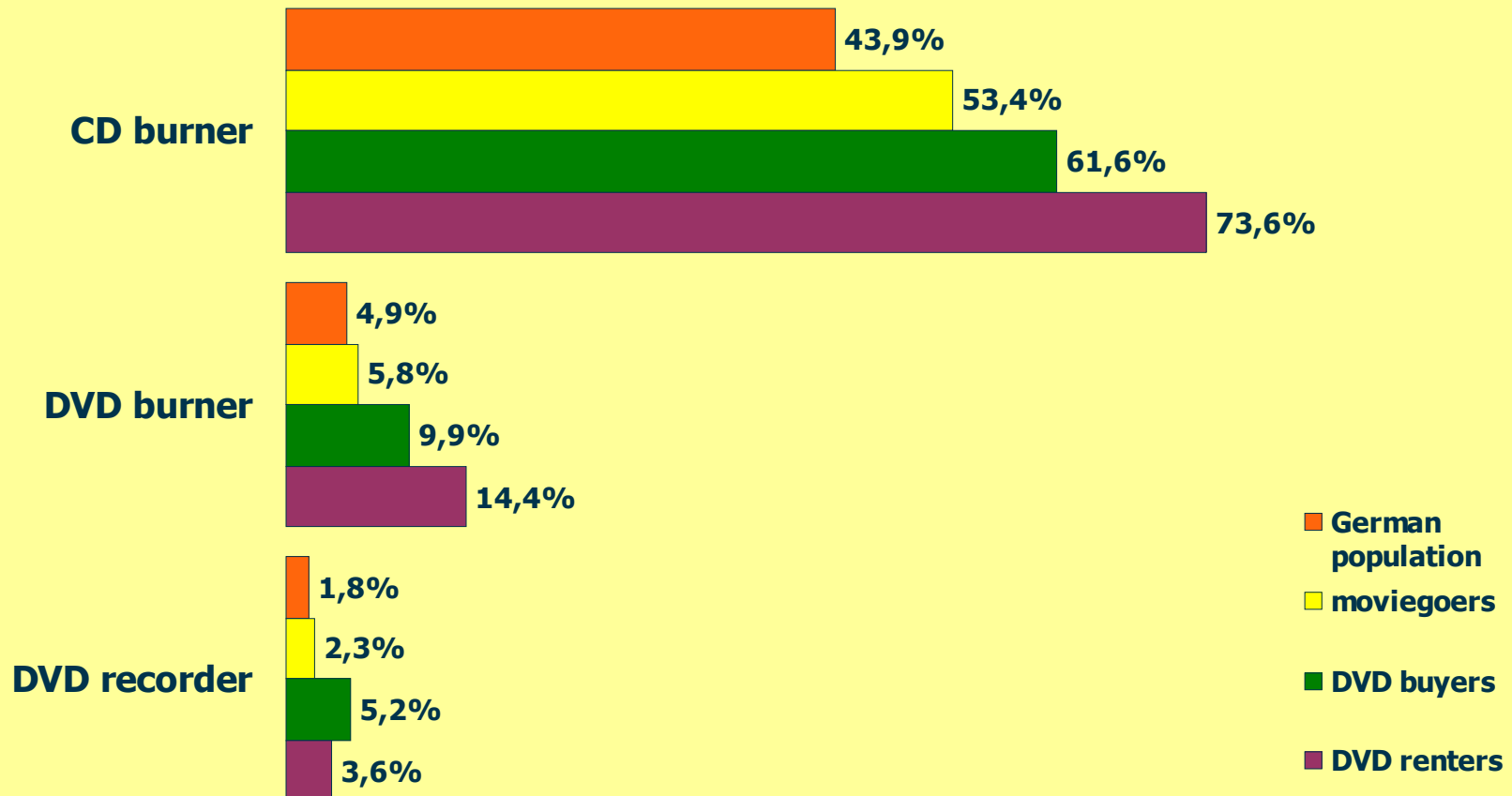
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Hardware Key-Figures

Status: July 2004

Question: Do you or other household members possess one of these sets?



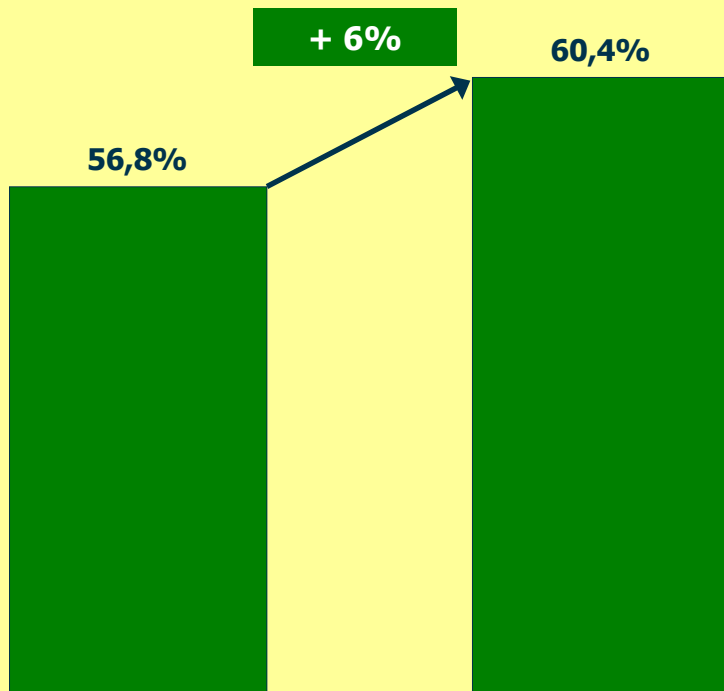
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Internet-Access at Home

Internet-access at home

01/2004

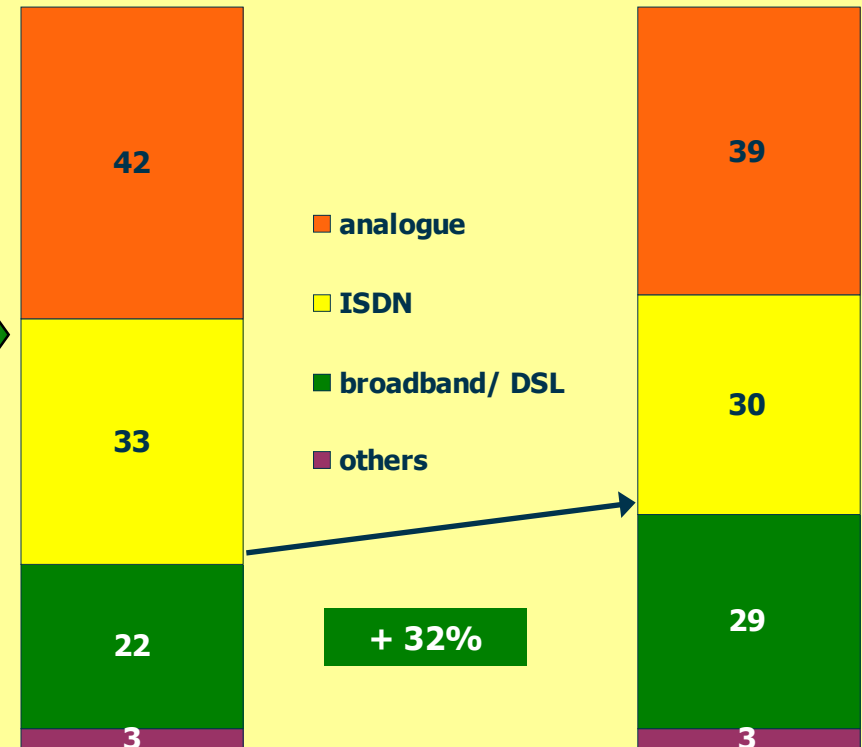
06/2004



type of connection

01/2004

06/2004



Basis: 63.7 million private German individuals from 10 years up

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Key-Facts

Key-Facts Hardware:

- The hardware equipment to copy contents (films) continues to increase significantly.
- DVD burners and recorders will be available to the bulk of the population before long due to their rapidly increasing penetration rate.
- The penetration rate is particularly high within the group of 16- to 29-year-old men, a very important target group of the film industry. And the group of video-store clients is the one who is best equipped with hardware.
- The Internet-access is rising steadily and the type of connection is moving to broadband. This connection makes the download of contents easier and accelerates the speed.

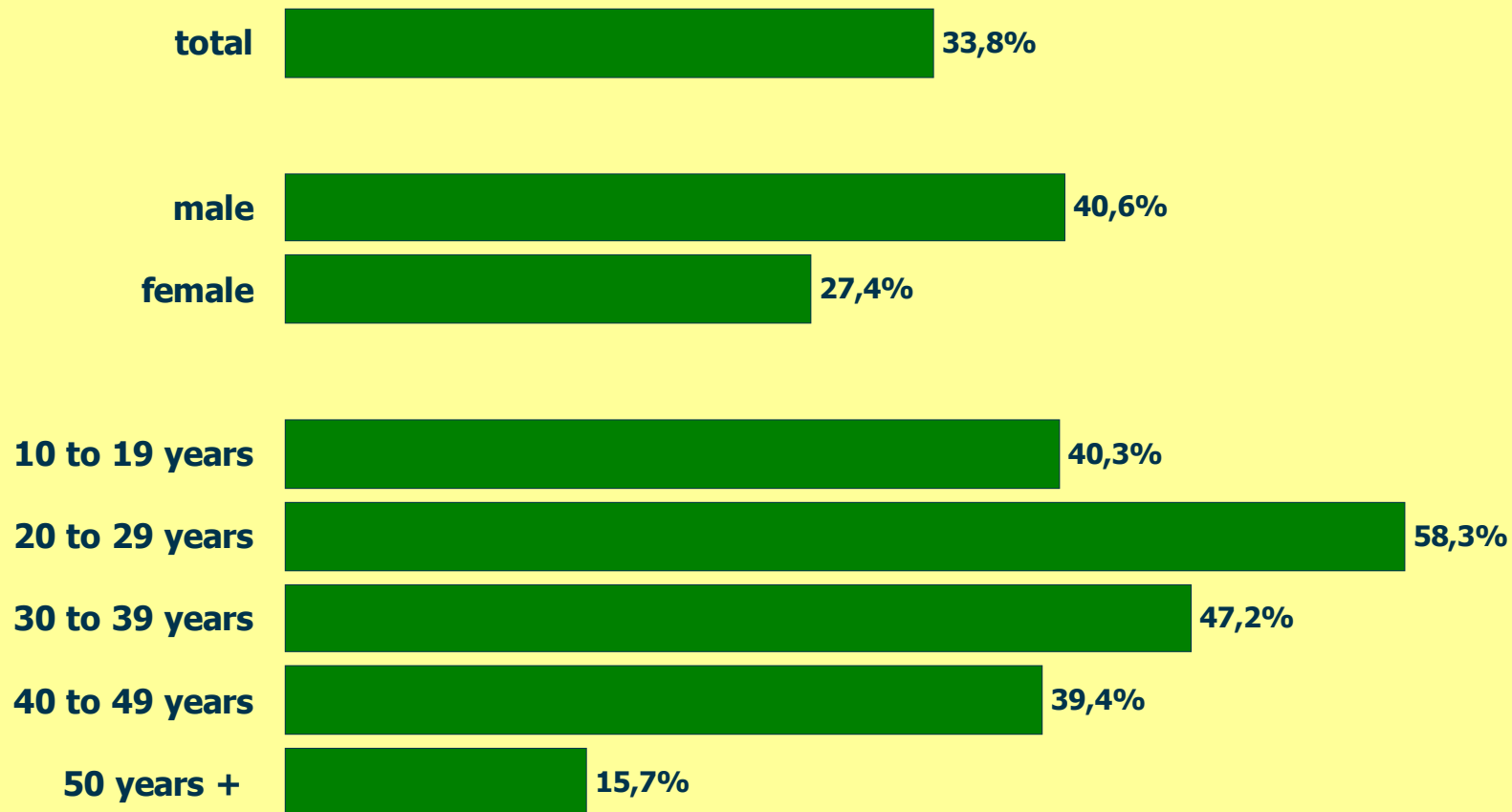
Recording/Burning Contents

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Burners' Penetration Rate

1st Half-Year 2004

Question: Did you record/burn any contents (e. g. music, films, etc.) on blank CDs or DVDs during the period January to June 2004?



Basis: 63.7 million private German individuals from 10 years up

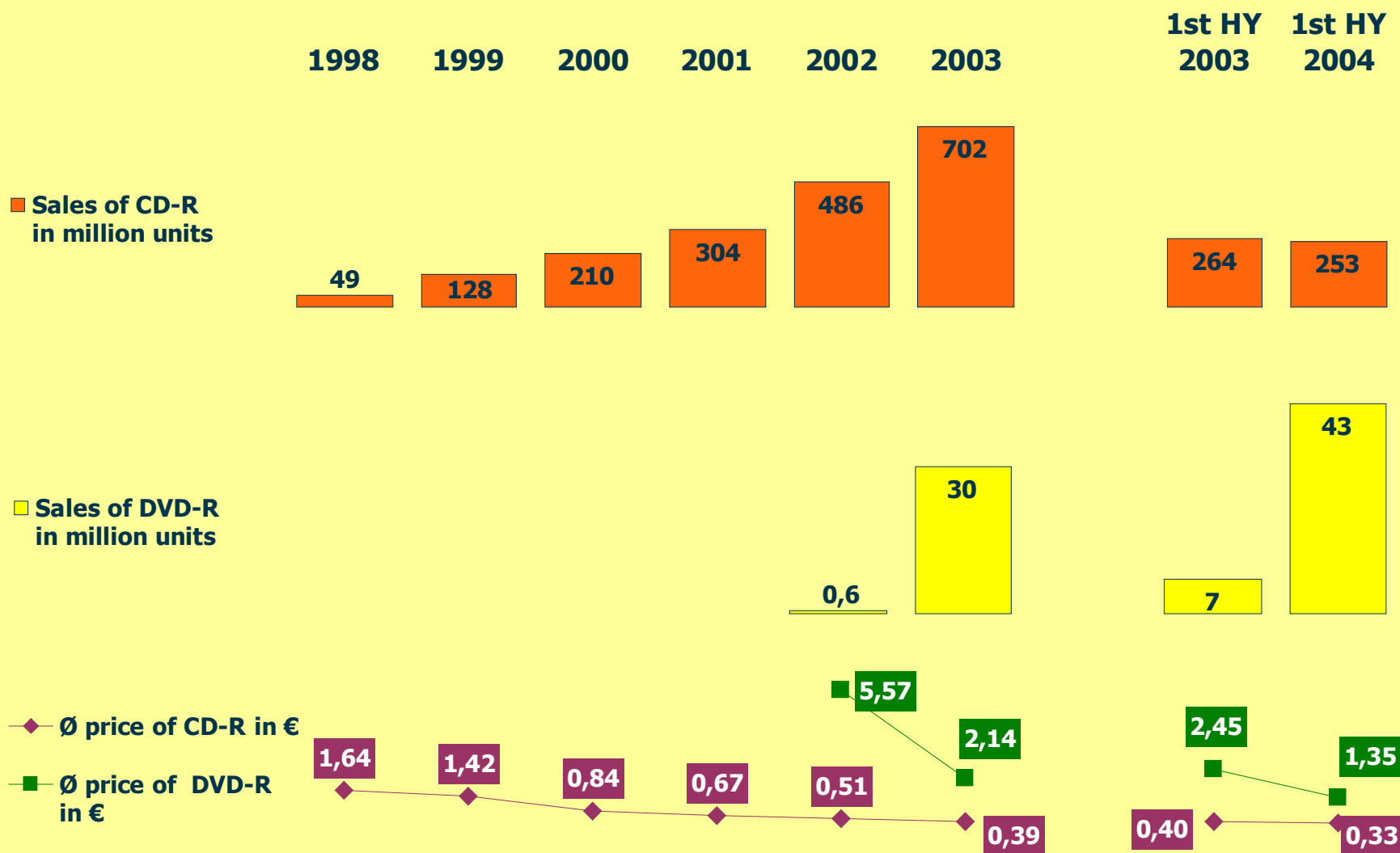
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General Market Development

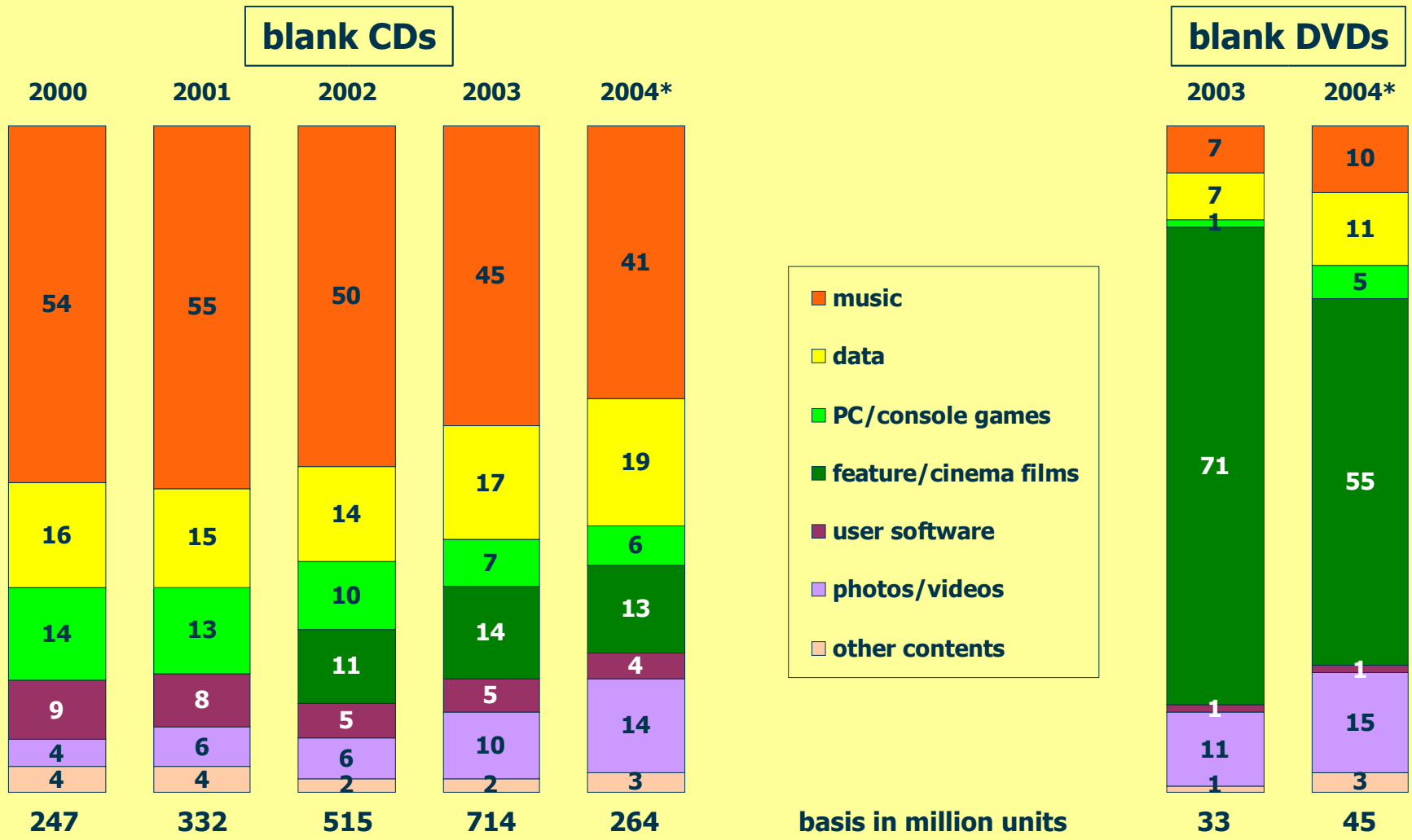
Sales of Blank CDs/ DVDs





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Contents of Burned Blank CDs/DVDs



* Half-Year

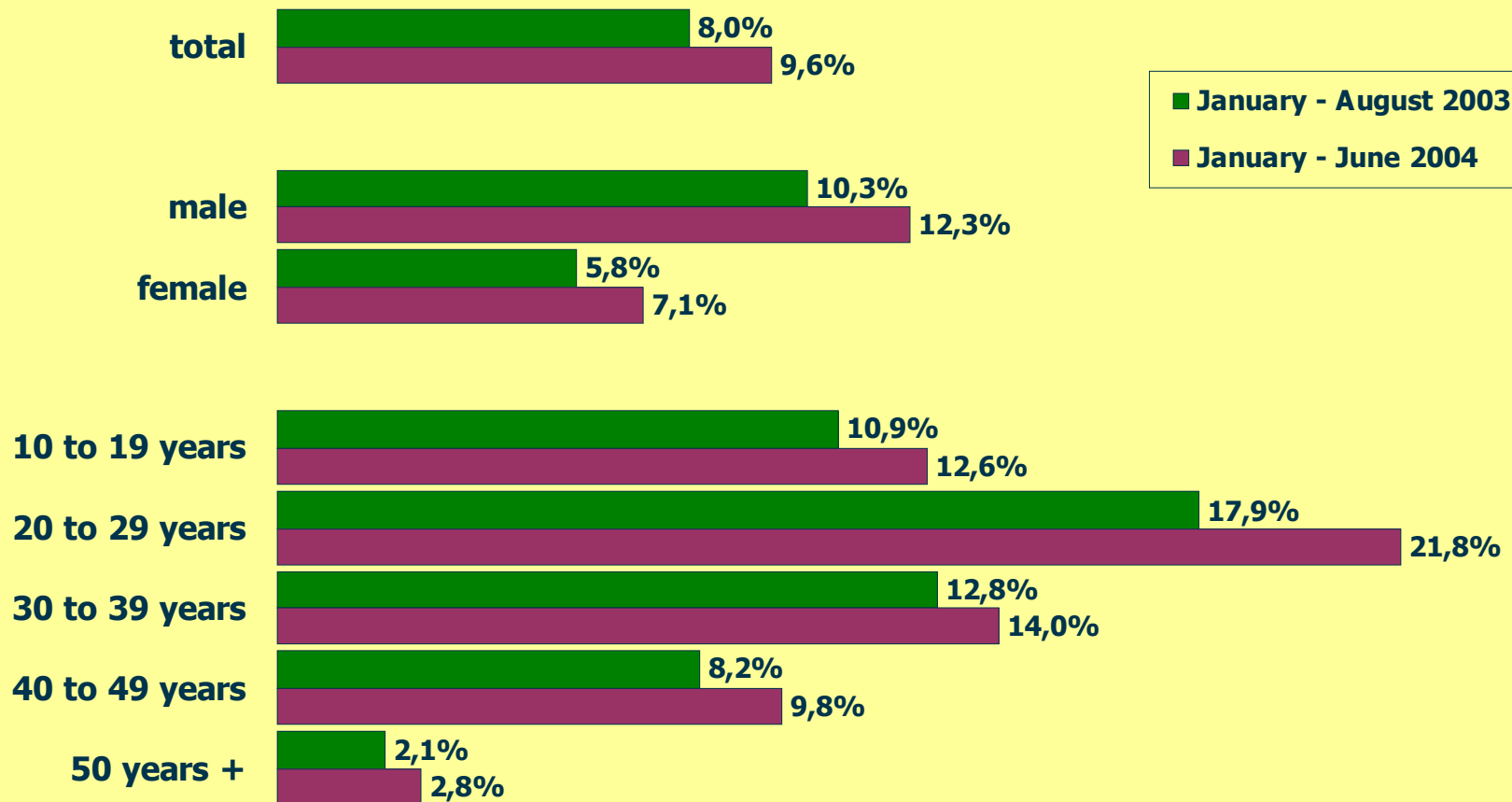
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Penetration Rate of Films



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Question: Did you burn films on blank CDs or DVDs?



Basis: 63.7 million private German individuals from 10 years up

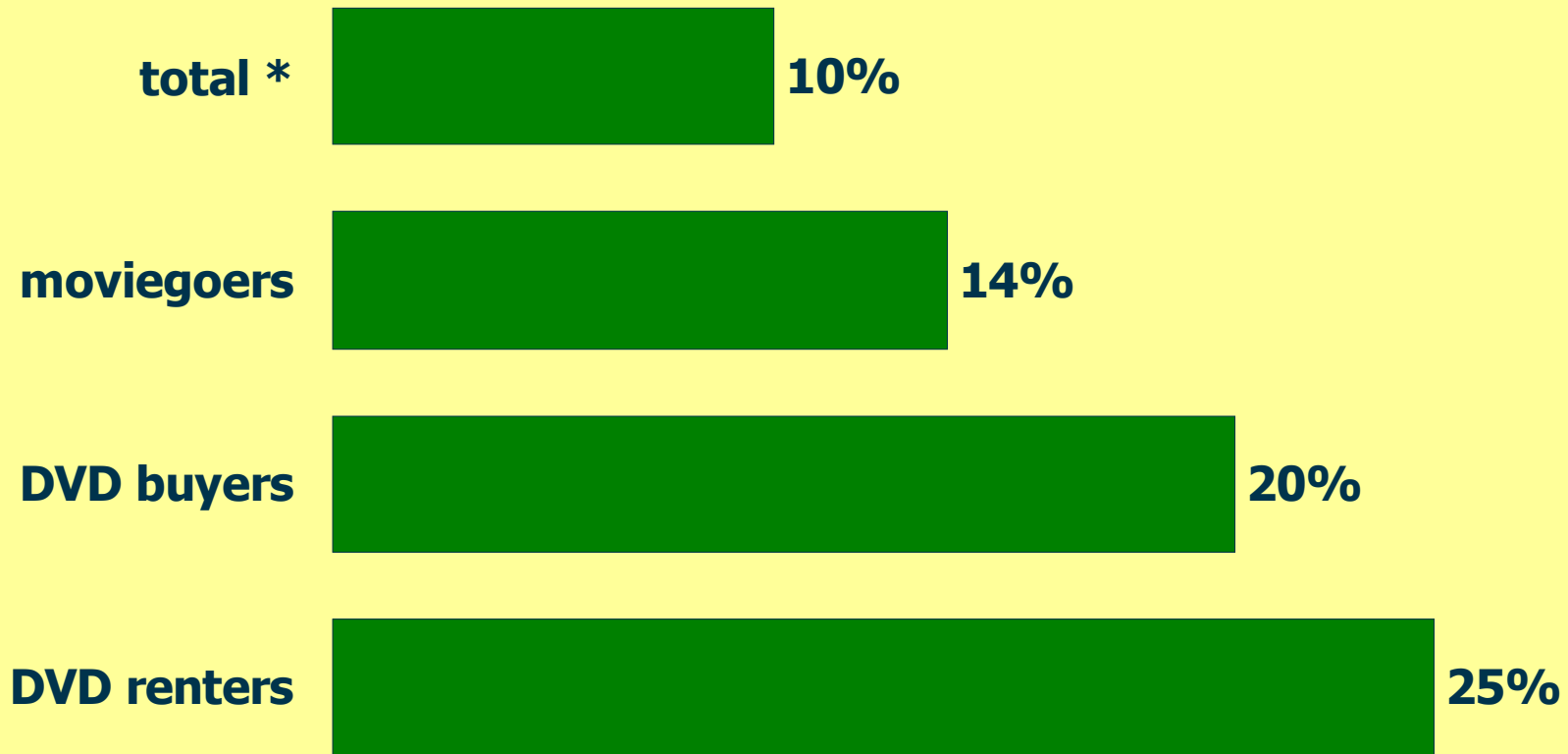
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Penetration Rate of Persons who burn Films 1st Half-Year 2004

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Question: Did you burn films on blank CDs or DVDs?



*Basis: 63.7 million private German individuals from 10 years up

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Reasons for burning Feature/Cinema Films

Top Boxes rather / fully applies (in %)

I am only interested in the film and not in any special features (e. g. making of, special scenes, etc.) of an original DVD for sale.

59,9

I only go to the cinema to watch absolute highlights and burn all other films.

41,5

The film is not available for sale on DVD (yet).

40,0

I can also burn films with age limit (e.g. restricted 18).

20,3

I can also burn films of erotical/pornographic contents.

12,7

I like to provide friends/acquaintances with films burned to blank CDs/DVDs.

10,0

Basis: 6.1 million persons who burned films

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Reasons for burning Feature/Cinema Films

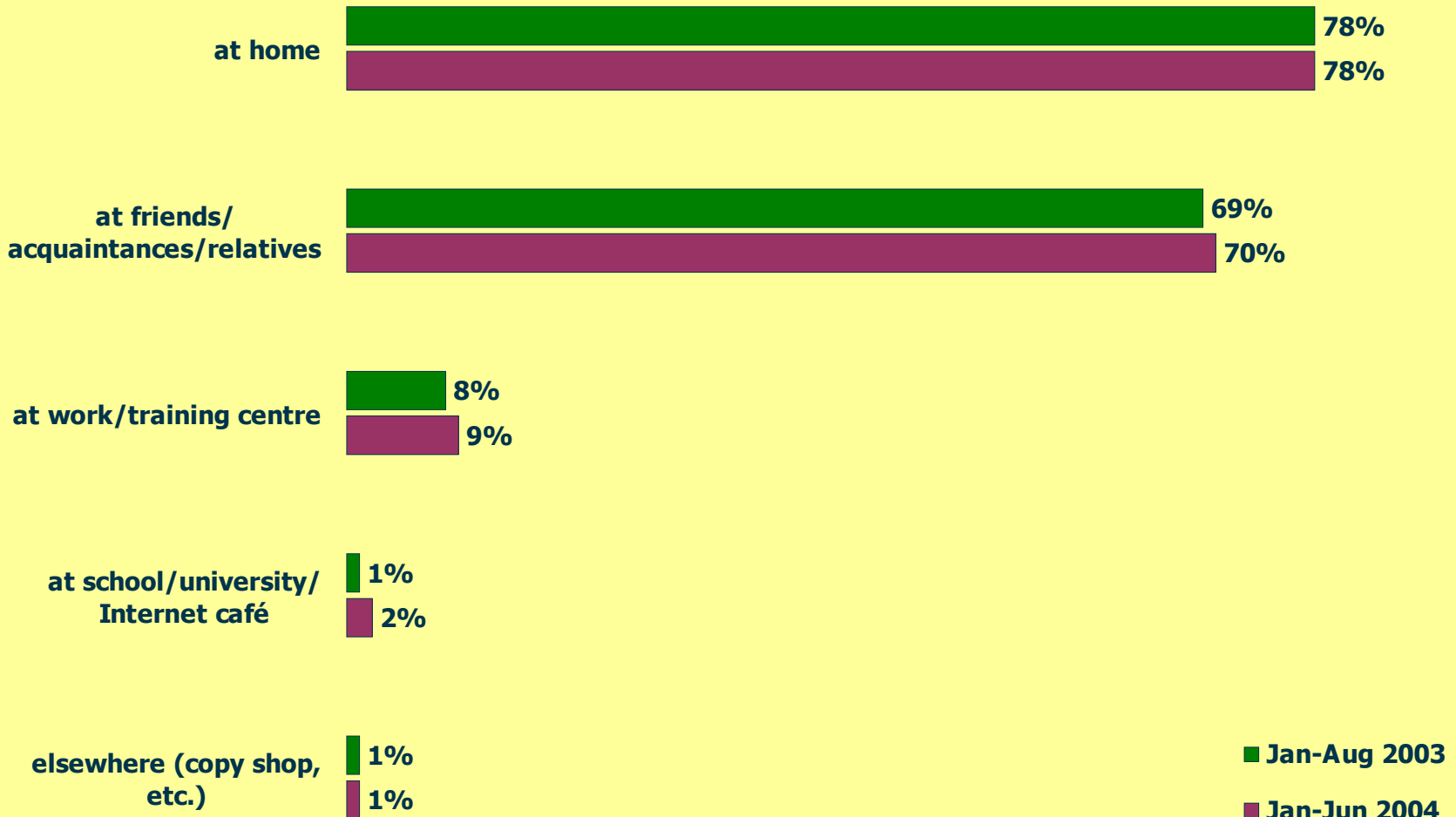
Top Boxes important/very important in %

total		- 17 years	18 - 29 years	30 - 39 years	40 – 49 years	50 years +
60%	I am only interested in the film, but not in special features.	55%	59%	55%	63%	51%
42%	I only go to the cinema to watch highlights and burn all other films.	56%	43%	38%	31%	27%
40%	The film is not available for sale on DVD (yet).	47%	41%	39%	33%	24%
20%	I can also burn films with age limit (e. g. restricted 18).	37%	16%	15%	18%	15%
13%	I can also burn films of erotic/pornographic contents.	10%	13%	14%	11%	10%
10%	I like to provide friends/acquaintances with films burned on blank CDs/DVDs.	24%	10%	5%	8%	6%

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Where do you burn Feature/Cinema Films?

Place of Recording



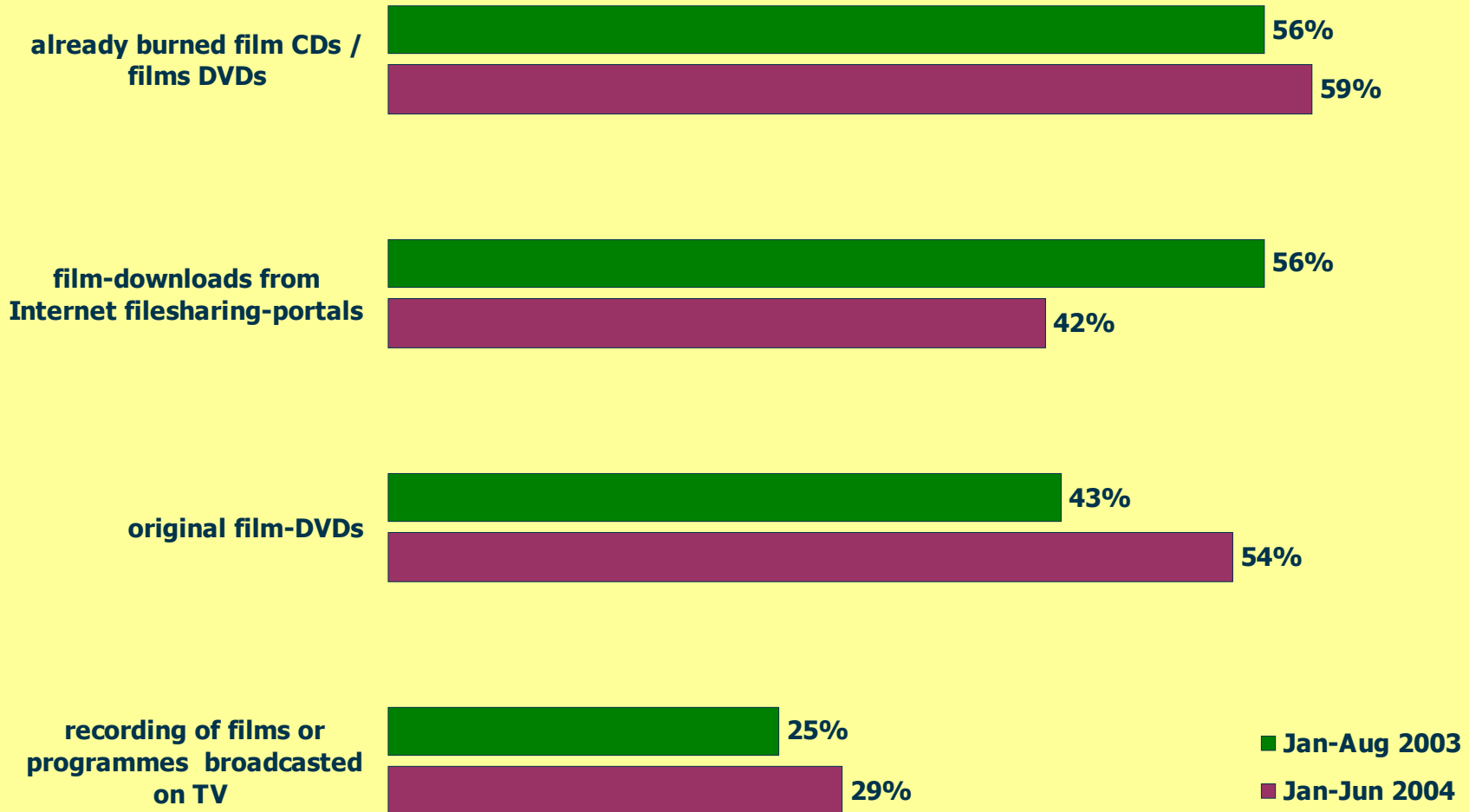
Basis: 6.1 million persons who burned films

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Origin of burned Feature/Cinema Films

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Basis: 6.1 million persons who burned films

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Key-Facts

Key-Facts Burning:

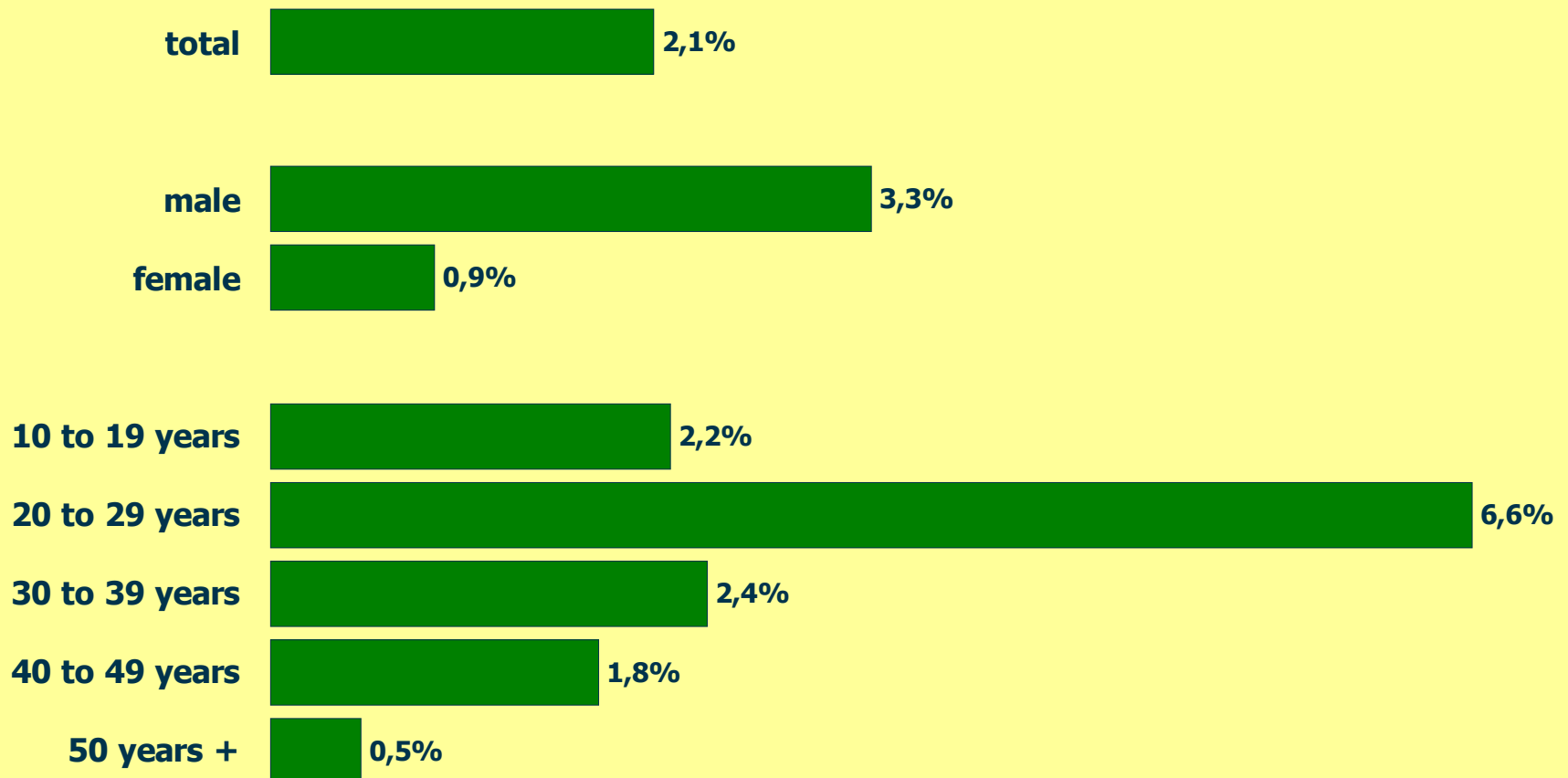
- In the meantime, burning of contents has become a mass phenomenon. Every third German over 10 years burned or had contents burned in the first half-year 2004. One out of 10 Germans burned feature films and this trend is rising.
- Burning of contents is moving more and more from blank CDs to blank DVDs and film copies dominate significantly.
- In comparison to last year, it is estimated that films have been burned to 126 million blank CDs/DVDs and 68 million films have been copied, which means a dramatical increase.
- To a high extent, persons who burn films are not interested in additional features. They only go to the cinema to watch highlights and want to possess the film before the DVD release. What is also important for the young target group is the circumvention of the age restriction.
- The most popular source of copies are films already copied (snowball-effect). However, the trend is moving from downloading (via P2P/ftp etc.) to copying originals.

Downloading Films

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Penetration Rate of Film Downloaders

Question: Did you download feature films from the Internet during the period January to June 2004?

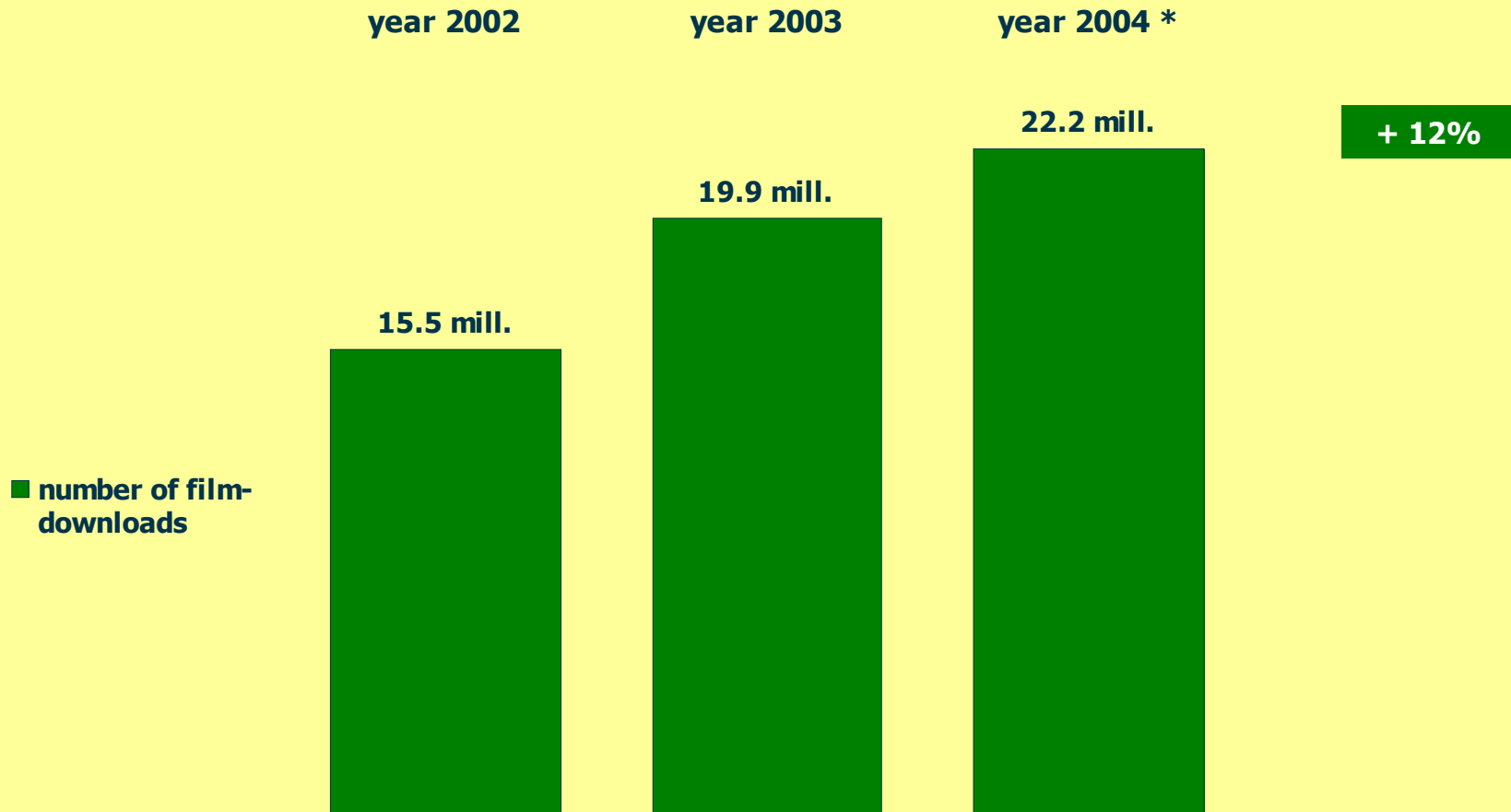


Basis: 63.7 million private German individuals from 10 years up

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Key-Figures Film-Downloads

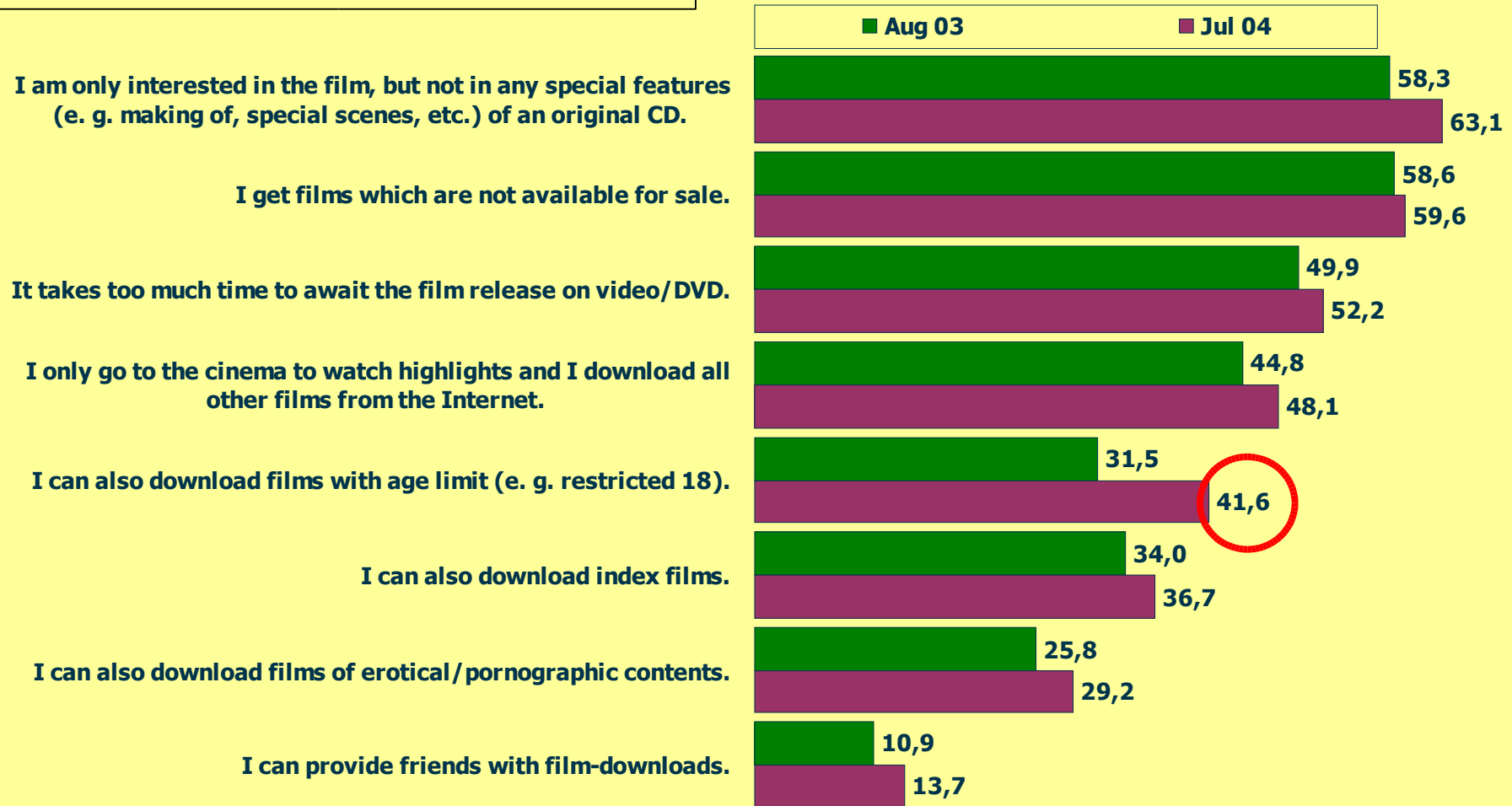


*forecast, that means monthly average 1st half-year 2004 plus dynamics

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Reasons for downloading Feature Films/Cinema Films from the Internet

Top Boxes important/very important in %



Basis: 1.3 million persons who downloaded films

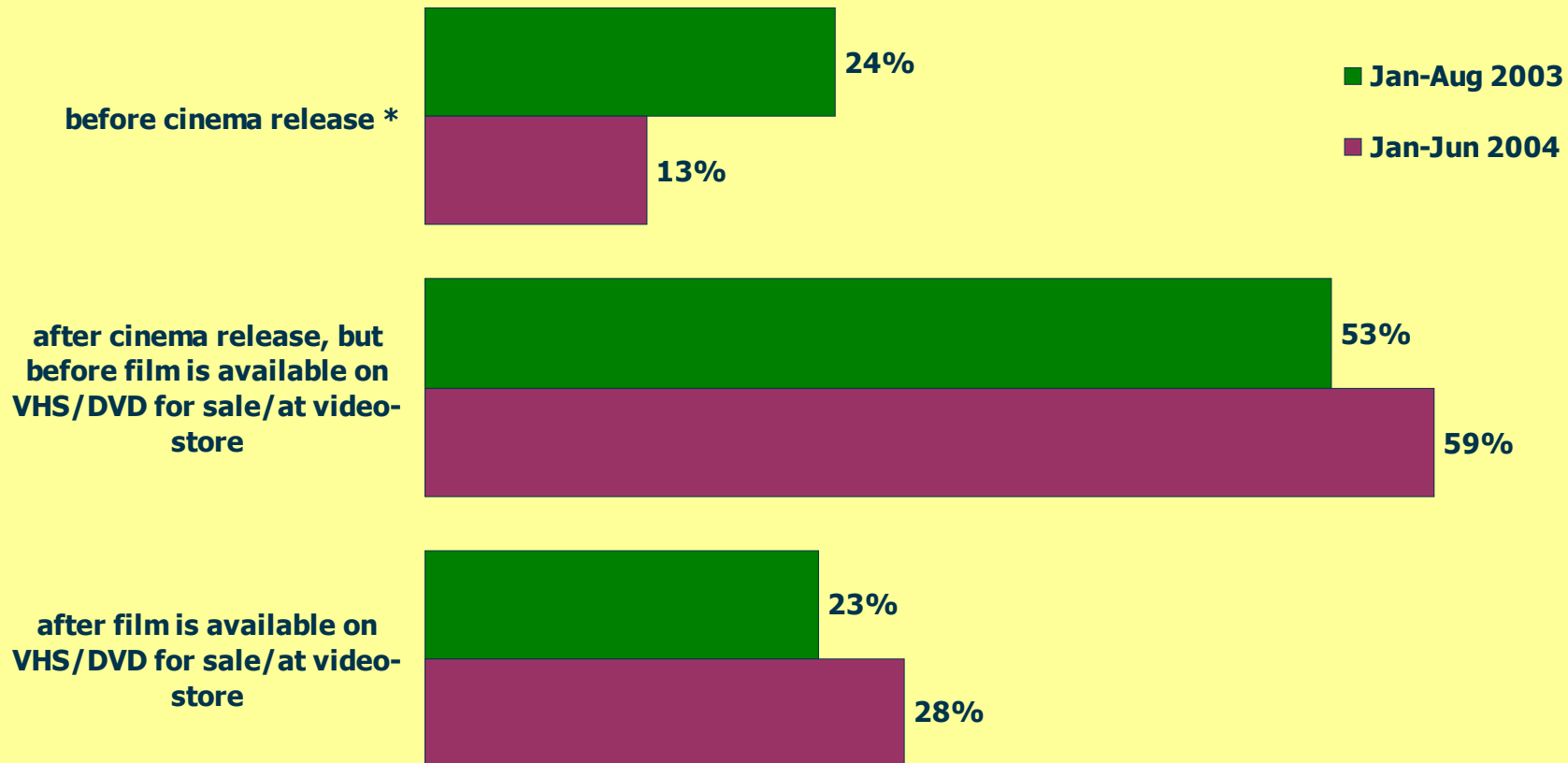
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Point in Time for downloading Feature Films

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I normally download at that point of time:



* 2003: before cinema release in Germany and USA

Basis: persons who download

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Key-Facts

Key-Facts Downloads:

- Compared to last year, the download of feature films is increasing analogue to the burning. The most active user group are by far the 20 to 29 years' old.
- Downloaders want to have films promptly and they are able to circumvent age restrictions and indexing without problems.
- Feature films are mostly downloaded from the Internet after the cinema release, but before being available for sale. Compared to last year's survey, downloads made before the cinema release are decreasing significantly.

Campaign-Test and Copyright

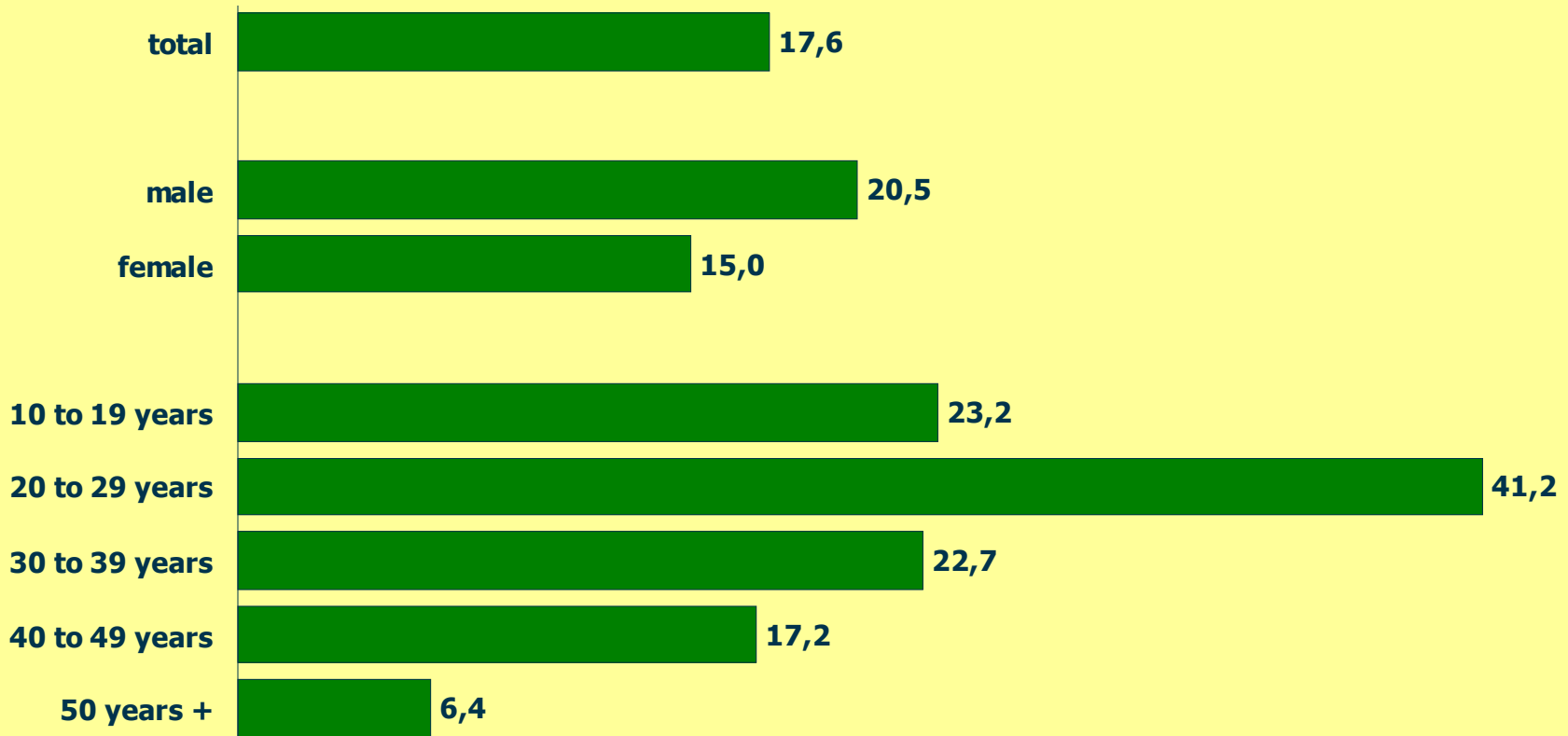
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Campaign Awareness: „Raubkopierer sind Verbrecher“
(„Digital Pirates are Criminals“)

28

Question: Do you know this campaign?

Yes, I know this campaign



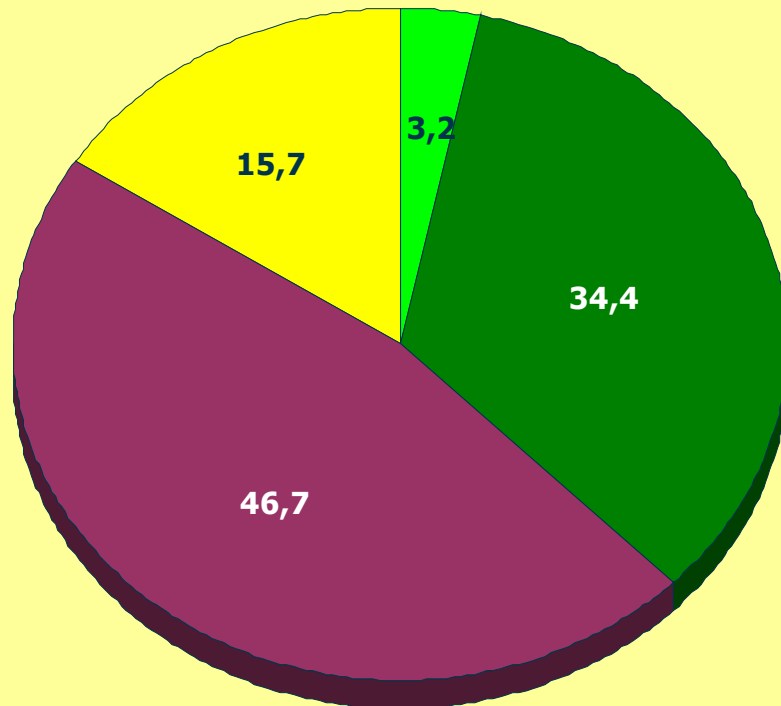
Basis: 63.7 million Germans from 10 years up
data in percent

FFA Piracy Study 2004

Campaign Awareness: „Raubkopierer sind Verbrecher“ („Digital Pirates are Criminals“)

29

Question: Do you believe that such a campaign is appropriate to change the attitude of persons who use digital recorders (CD burners, DVD burners, DVD recorders) for recording/burning feature films?



- Yes, the campaign helps to make people record/burn significantly less.
- Yes, the campaign keeps at least some people from recording/burning.
- No, the campaign does not help to make people record/burn less.
- I do not know/I am not able to judge this.

Basis: persons who know this logo/campaign data in percent

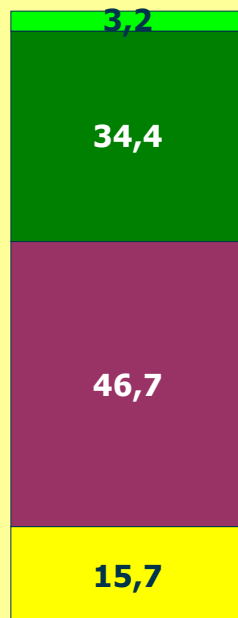
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Campaign Awareness: „Raubkopierer sind Verbrecher“ („Digital Pirates are Criminals“)

30

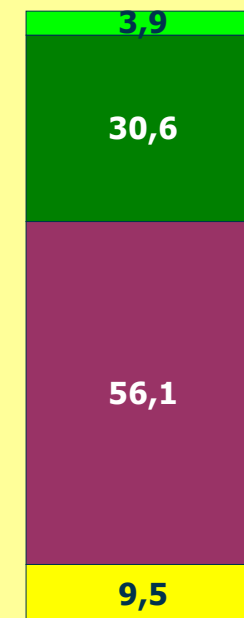
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German population



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- Yes, the campaign keeps at least some people from recording/burning.
- No, the campaign does not help to make people record/burn less.
- I do not know/I am not able to judge this.

film burners/ downloaders



Basis: persons who know this logo/campaign data in percent

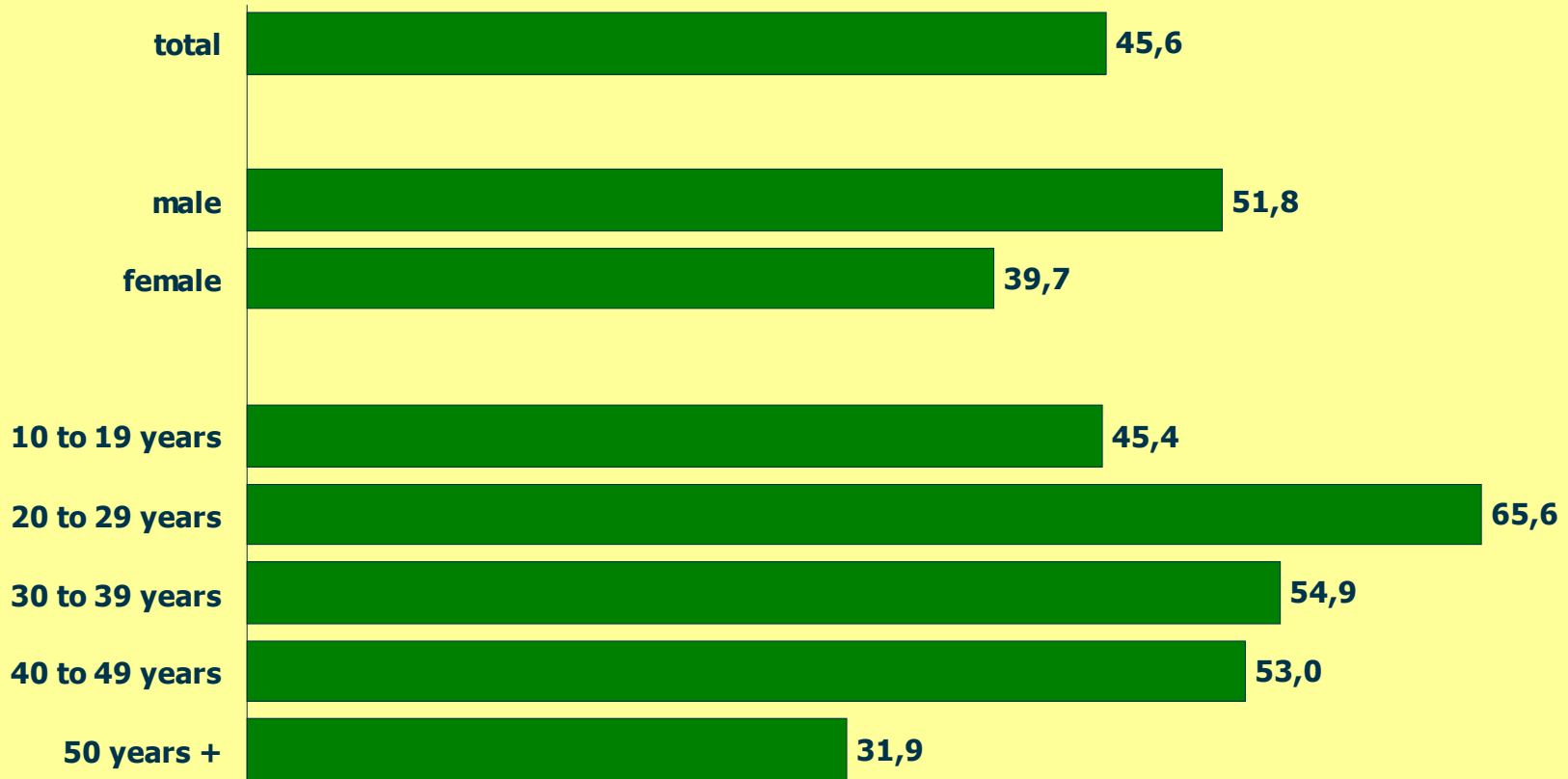
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Awareness of the Copyright Law Revision

31

Question: Do you know or have you heard that the Copyright was revised by law last year (on 13 September 2003)?

Yes



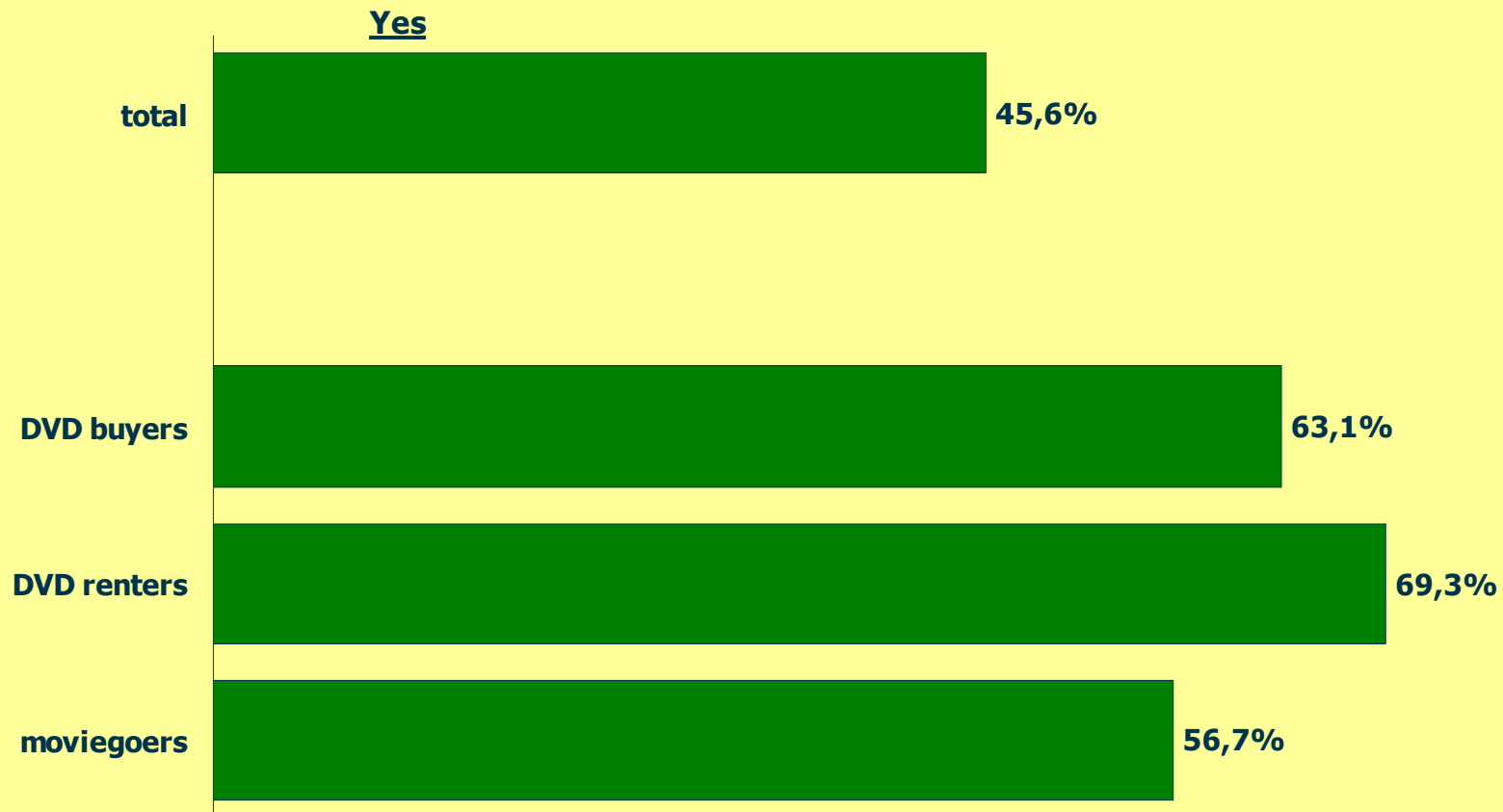
Basis: 63.7 million Germans from 10 years up
data in percent

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Awareness of the Copyright Law Revision

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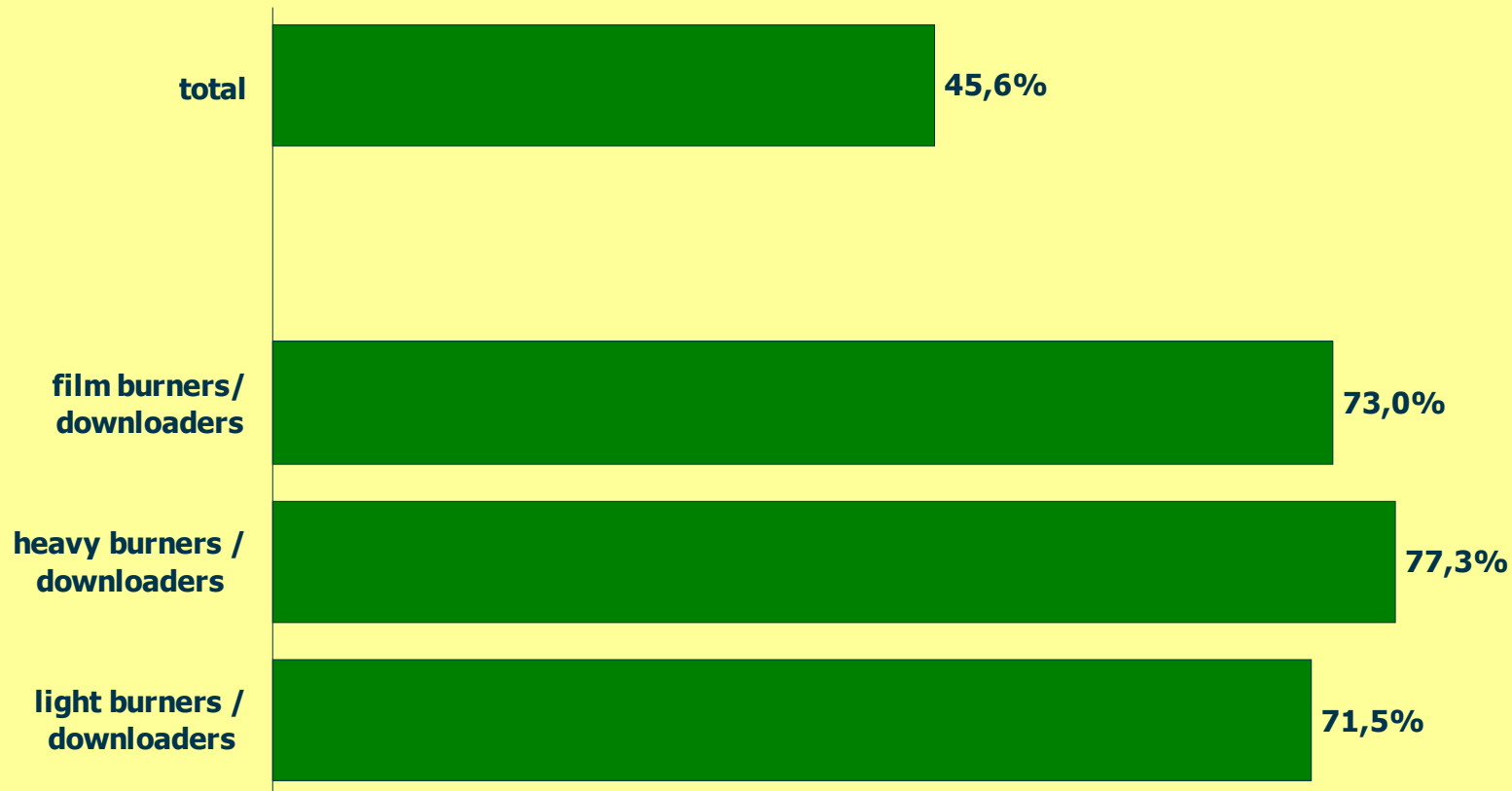
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Awareness of the Copyright Law Revision

33

Question: Do you know or have you heard that the Copyright was revised by law last year (on 13 September 2003)?

Yes



Basis: 63.7 million Germans from 10 years up

Key-Facts

Key-Facts Campaign-Test and Copyright:

- 18% of the population know the campaign „Digital Pirates are Criminals“, but the awareness varies considerably according to the target group.
- The awareness of this campaign of burners/downloaders amounts to 37 % and thus is twice as much. Every second heavy user has noticed the campaign.
- A good third of film burners and downloaders believes that this campaign results in a lower percentage of burned and downloaded films.
- Almost 50 % of the population know about the revision of the Copyright.

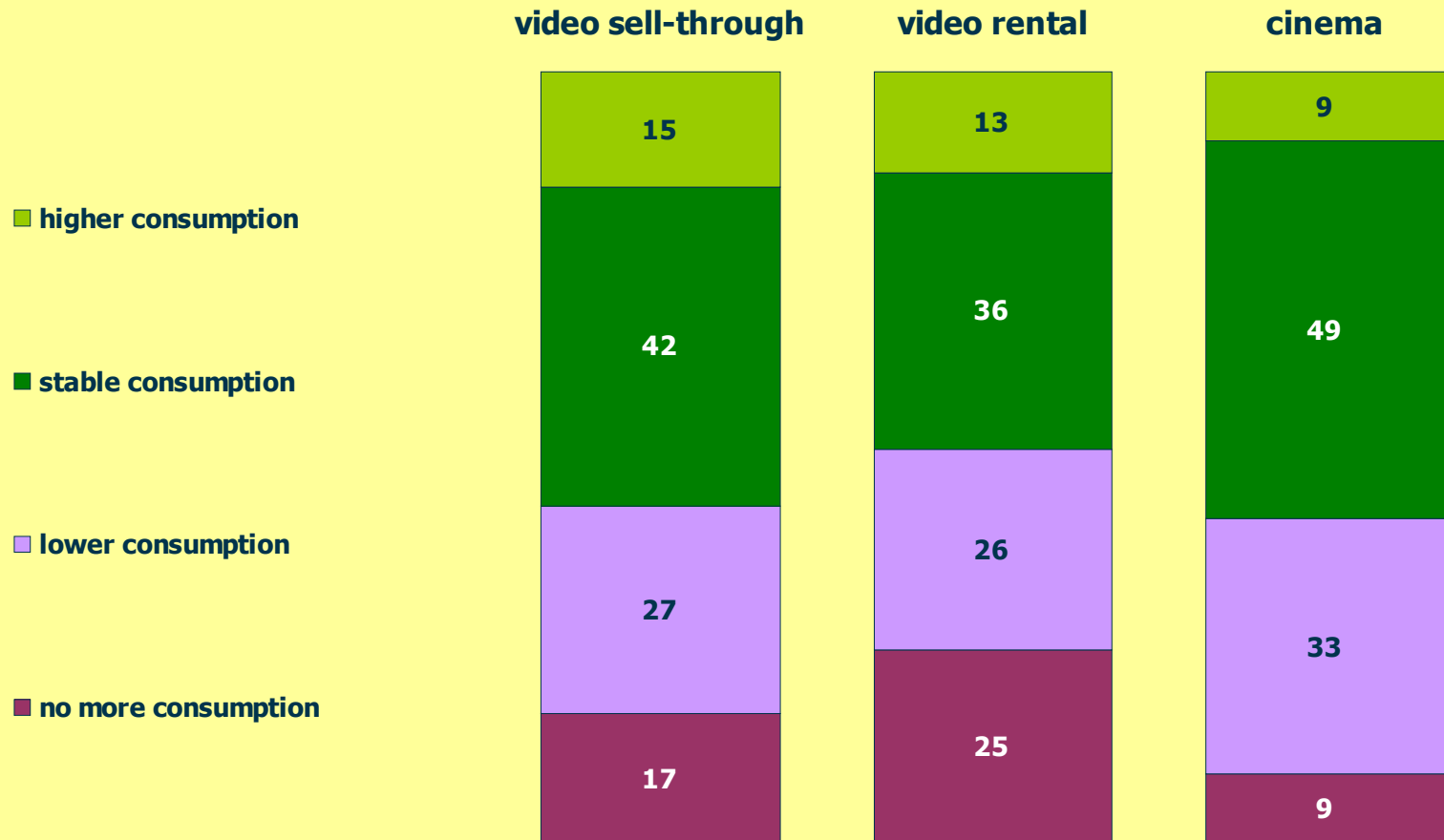
Effects on the Purchasing Behaviour

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Purchasing Behaviour of Films Burners/Downloaders

Question: Which of the following statements is in most accordance with your attitude since you have had the possibility to burn or download feature films?

36



Basis: persons who burnt/downloaded films, but excluding persons who never/seldom go to the cinema or buy/rent videos.

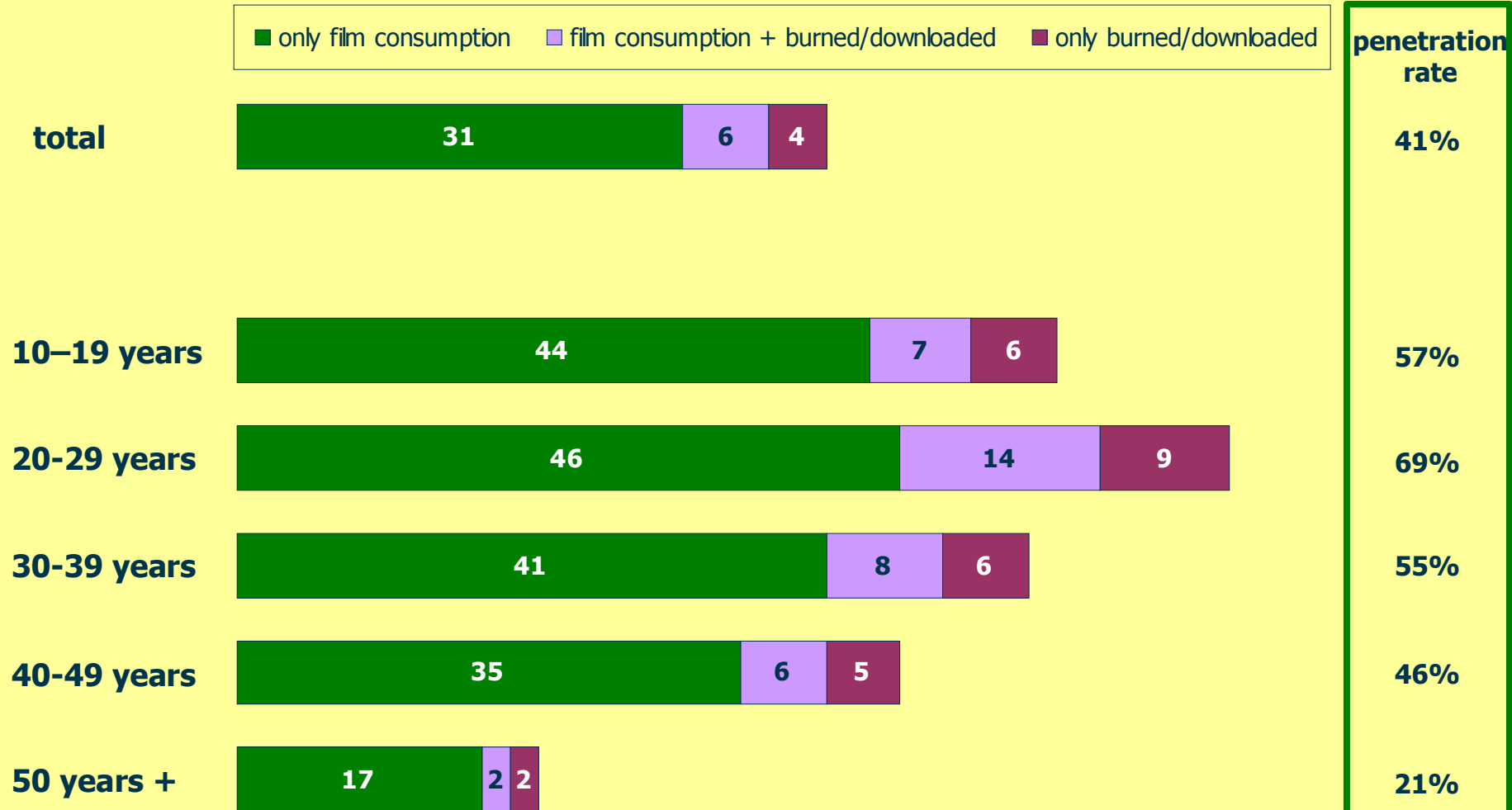
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Penetration Rate according to Film Consumption* and Burners/
Downloaders

1st Half-Year 2004



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*film consumption = cinema visits or video sell-through or video rentals